

Minutes Tempe Police Public Safety Personnel Retirement System Board February 2, 2017

Minutes of the Tempe Police Public Safety Personnel Retirement System Board meeting, held on Thursday, February 2, 2017, 2:00 p.m., in Tempe City Hall, Third Floor Conference Room, 31 E. 5th Street, Tempe, Arizona.

Board Members Present:

Steven Methvin
Jim Foley
Bill Goodman (2:12 p.m.)
Kelly McMenemy
Jeff Millen

Board Members Absent:

None

City Staff Present:

Renie Broderick, Internal Services Director
Wendy Messina, HR Program Coordinator
Susan Buck, Executive Assistant

Legal Counsel Present:

Cynthia Kelley (via telephone)

Chair Steven Methvin called the meeting to order at 2:01 p.m.

ITEM I – Consideration of Meeting Minutes:

Motion by Kelly McMenemy to approve the January 5, 2017 Police Board Meeting Minutes; second by Jeff Millen.
Motion passed on a voice vote 4-0.

ITEM II - Public Appearances:

There were no public appearances.

ITEM III - Motion to Adjourn to Executive Session, if necessary:

Motion to adjourn to Executive Session by Kelly McMenemy; second by Jeff Millen. Motion passed on a voice vote 4-0. The Board adjourned to Executive Session at 2:02 p.m. Board Member Bill Goodman joined the Executive Session at 2:12 p.m. The Board meeting reconvened at 2:19 p.m.

ITEM IV – Prior Service:

Chair Steven Methvin acknowledged the following prior service:

- **David Breen**, 0.427 years, Arizona State Retirement System (ASRS)
- **Daniel Gaughan, Jr.**, 9.1010 years, Arizona State University Police
- **Shelli Miller**, 2.000 years, ASRS

ITEM V – Application to Enter the Deferred Retirement Option Plan (DROP) Program:

Motion by Kelly McMenemy to approve the DROP application of **Felipe Amezcuita**; second by Jeff Millen. Motion passed on a voice vote 5-0.

ITEM VI - Status Update on Application for Accidental Disability Benefits:

HR Program Coordinator Wendy Messina stated that **Aimee Willcoxson** attended her Independent Medical Exam (IME) on January 26, 2017 and staff is currently awaiting receipt of the IME report from the doctor, which will hopefully be available for the Board's review at the March meeting.

ITEM VII – Annual Review of Members Receiving Disability Benefits:

Local Board Secretary Renie Broderick stated that on an annual basis the Board reviews a list of all members receiving disability benefits. The Board can decide to appoint a sub-committee to review the list if they wish, however per City of Tempe policy if the Board forms a sub-committee, it is subject to the requirement to publicly post notice of meeting agendas and minutes. Last year, the Board formed a sub-committee of the two elected members, but they did not meet separately; instead all discussion was held during regular Local Board meetings. Motion by Jeff Millen to table this item until the March meeting; second by Bill Goodman. Motion carried on a voice vote 5-0.

ITEM VIII – Public Safety Personnel Retirement System (PSPRS) SB1428 Pension Reform Update Webinar & FY 2017 2nd Quarter Newsletter:

Ms. Broderick stated that staff has participated in two PSPRS webinars since the last Board meeting and the PowerPoint presentations from those webinars have been distributed to the Board. The recently distributed newsletter includes future training dates and also includes a very useful chart on the last page, which summarizes changes resulting from SB1428. There was no further discussion on this item.

ITEM IX – PSPRS Membership: Point of Hire vs. Completion of Academy

Ms. Broderick referred to a memo distributed to the Board at the beginning of the meeting, which was drafted in response to the Board's request at the January 2017 meeting for a recommended course of action on this item. Ms. Broderick provided a recap of the discussion at the January meeting, noting that currently Police new hires are entered into ASRS at date of hire until they graduate from the Police Academy, at which point they are moved into PSPRS. This process was established by a previous Tempe Police Local Board in the 1990s; it is believed the intent was to shield the PSPRS system from any claims resulting from possible injuries during Police Academy. The members often purchase back their time from ASRS once they are moved into PSPRS. Ms. Broderick stated that the because of the Tier 3 changes that will be in effect in July 2017, specifically the 90-day waiting period, it was important to determine how the ASRS period would affect them. PSPRS has confirmed that the 90-day window begins effective with when the member is actually enrolled into PSPRS. Ms. Broderick noted that if the policy changes and new hires go directly into PSPRS, it could affect the City seniority of the existing members because PSPRS seniority time is used for some City benefits. Ms. Broderick stated that staff therefore recommends that Tempe keeps the same procedures they have in existence.

Boardmember Kelly McMenemy stated that current practice of entering new members to PSPRS upon graduation from academy coupled with the 90-day waiting period that will go into effect in July 2017 could result in new members not being entered into PSPRS for 8 months from date of hire. Boardmember McMenemy stated the Board should change the current practice and have new members enter based on their City of Tempe hire date. Board Legal Counsel Cynthia Kelley stated that the new member is considered part of PSPRS during the 90-day period, but the new member will have 90-days from entry into PSPRS to determine if they are going into a defined contribution or a defined benefit plan. Boardmember McMenemy stated that per PSPRS, the "date of hire" is the date they are entered into PSPRS; she further clarified that the academy is 4 months, after which graduates are put into PSPRS, and then the 90-day waiting period would begin. The Board generally discussed when new members enter into PSPRS. Ms. Broderick stated that staff will confirm with PSPRS when contributions are required to begin relative to the date of entry into PSPRS and will report back to the Board.

Boardmember Jeff Millen inquired if seniority for City of Tempe benefits starts from the date of hire with the City, excluding anything agreed to via an employee group Memorandum of Understanding (MOU). Ms. Messina confirmed that it does.

Boardmember Millen addressed a member of the public audience, Sgt. Rob Ferraro, President of the Tempe Officers Association (TOA), and asked if it would cause complications in TOA's MOU if "seniority" was changed from the PSRPS seniority date to the date of hire by the City. Mr. Ferraro answered that it would not. Ms. Broderick stated that the City staff could implement that change and that it would make it easier going forward, but it will require an administrative effort and some time to make the changes in the system.

Boardmember Millen addressed another member of the public audience, Tempe Police Commander Mike Horn, and asked if the Police Department hiring unit would have concerns with such a change. Commander Horn indicated that there would be pluses / minuses either way, but noted that there has been discussion at the State level regarding significantly extending the time new recruits spend in Police Academy, which would have an impact on the timeframe being discussed for Tier 3 employees. Commander Horn also noted that the Tempe Police Department is discussing that it will be necessary to adjust the hiring and academy process in order to provide time to educate Tier 3 recruits regarding their options. Ms. Broderick noted that it is important to provide an educational opportunity with each Tier 3 recruit before they go into academy.

Boardmember McMenemy Kelly stated that now is the time to change Tempe's practice and admit all new hires into PSRPS at the time of hire instead of after academy, so there will not be a seniority overlap for anyone hired from now forward. Chair Methvin suggested that the Board wait until next month in order to give staff time to think about it and inquired if the decision could be retroactive. Ms. Messina stated the decision cannot be retroactive because contributions are already being sent into ASRS for current hires. Boardmember Millen clarified that if the Board makes the change now there would not be any seniority overlap due to the way the academy classes are aligned. The Board generally discussed Tier 2 vs. Tier 3 and City of Tempe hiring and benefits effective dates. Ms. Kelley stated that she will provide a flowchart or a memo to the Board by the next meeting to help clarify Tier 2 vs. Tier 3 and what contributions need to be made and when.

Boardmember Millen stated that the discussion has pulled in many related topics, but the item under review is whether the Board wants to change the date of entry into PSRPS to be the City's date of hire instead of the date of graduation from academy. Boardmember McMenemy clarified that any changes made would be effective from this point forward and would not be retroactive; any hires already in the academy would not be impacted. Ms. Broderick inquired of Mr. Ferraro if the MOU would need to be changed. Mr. Ferraro stated that TOA wants to make changes in current MOU process to reflect the City hire date instead of the PSRPS membership date and noted that entry into PSRPS should be consistent with other agencies in the Valley. Ms. Messina stated that Phoenix and Tucson are similar to Tempe – new recruits are put into ASRS while they are in the academy.

Chair Methvin stated that Ms. Kelley offered to do a comparison chart for the Board for the next meeting in response to the discussion and asked if there were any additional questions the Board wished her to address for the next meeting; there were none.

Motion by Kelly McMenemy to admit new members into PSRPS at *point of hire by the City* instead of at graduation from academy; second by Jeff Millen. Chair Methvin opposed the motion, stating that he did not feel that the Board has enough information to make the decision at this time and that there were too many topics mixed into the discussion for the issue to be clear. Motion passed on a voice vote 4-1. Ms. Broderick stated that even though staff recommended a different course of action, staff does not have an issue and will implement the Board's decision.

Boardmember McMenemy requested that all other components of the discussion pertaining to Tier 2 and Tier 3 be put on next month's meeting agenda for further discussion.

ITEM X – Quarterly Board Expenditures – 4th Quarter 2016

Ms. Broderick stated that information on Board expenditures for 4th Quarter 2016 was distributed in the meeting packet. There were no questions from the Board.

ITEM XI – Future Meeting Date:

The next meeting is scheduled for March 2, 2017.

ITEM XII - Future Agenda Items:

- Annual Review of Members Receiving Disability Benefits
- SB 1428 Pension Reform – Tier 2 and Tier 3 Process

Adjournment

Motion to adjourn by Bill Goodman; second by Jeff Millen. Motion passed unanimously on a voice vote 5-0. The meeting adjourned at 3:05 p.m.



Renie Broderick
Local Board Secretary